simplified so that the Small Scale Sector will now be able to avail of this benefit without the need for import licences in their favour. A special import facility for recognised service centres has been introduced in the new Policy. The new Policy has continued with earlier provisions of giving double weightage to exports of the products manufactured by the Small Scale Sector for grant of recognition as Export House/Trading House. This facility is also available for grant of recognition as State Trading House.

(b) The suggestions received from various quarters were duly considered while formulating the policy. The suggestions which were found acceptable have been incor porated.

(c) Does not arise.

Increase in the Modernisation Cost of Durgapur Steel Plant

491. SHRI RAM AWADHESH SINGH : Will the Minister of STEEL AND MINES be pleased to state :

(a) whether it is a fact that Durgapur Steel Plant's modernisation design was originally prepared by Mecon at a cost of Rs. 900 crores, which could lead to an increase of one million tonnes of steel production per annum ;

(b) whether it is also a fact that Mecon was bypassed and final contract was jointly signed by a multinational company of West Germany and Russia forming a consortium at a cost of Rs. 2667 crores ;

(c) whether it is also a fact that TISCO has modernised and planned to increase steel production by 1.7 million tonnes at a cost of Rs. 843 crores in three phases whereas the final increase in steel production is below 0.7 million tonnes in Durgapur Steel Plant after modernisation; and

(d) if so, what action Government propose to take against SAIL authorities and Government officials ?

THE MINISTER OF STEEL AND MINES WITH ADDITIONAL CHARGE OF THE MINISTRY OF LAW AND JUSTICE (SHRI DINESH GOSWAMI) : (a) and (b) No, Sir. The Detailed Project Report prepared by M/s. Metallurgical & Engineering Consultants (India) Ltd. (MECON) envisaged modernisation of Durgapur Steel Plant (DSP) at a total cost of Rs. 1357 crores but no increase in name plate capacity of 1 * 6 MT was envisaged. In fact, MECON are the prime consultants for the ongoing project. The definitive cost estimates prepared by SAIL, jointly with MECON, have put the cost of the modernisation project at Rs. 2667.4 crores. MECON were associated with the finalisation of contracts to various tenderers for the project.

(c) No, Sir.

(d) Government will take appropriate action if any serious irregularity becomes evident.

Project Cost of Pepsi Foods

492. SHRI H. HANUMANTHAPPA: Will the Mini.ter of FOOD PROCESSING INDUSTRIES oe plccscd to state:

(a) whether it is a fact that Pepsi Foods has spent Rs. 5.97 crore on pre-operative expenses and Rs. i .459 crore on contingencies and has a working capital expenditure of Rs. 3.919 crore in 1989; and

(b) whether the above expenditure has Been included in the project cost of Rs. 50 crores?